Message Text

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ACTION EB-07

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R 101750Z MAR 75 FM AMEMBASSY GEORGETOWN TO SECSTATE WASHDC 945 INFO AMEMBASSY BRIDGETOWN AMEMBASSY KINGSTON AMCONSUL PARAMARIBO AMEMBASSY PORT OF SPAIN

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E.O. 11652/ N/A

TAGS: PINT, ELAB, GY

SUBJECT: STRIKES SLOW SUGAR PRODUCTION

- 1. SUMMARY: DURING FIRST WEEK OF MARCH, UNRECOGNIZED GUYANA AGRICULTURAL WORKERS UNION (GAWU) CONDUCTED GENERALLY EFFECTIVE STRIKE AGAINST SUGAR INDUSTRY IN SUPPORT OF TEN POINT PROGRAM OF DEMANDS. GAWU ACTION COMES AT TIME WHEN 1974-75 CONTRACT TALKS BETWEEN MANPOWER CITIZENS ASSOCIATION(RECOGNIZED UNION) AND GUYANA SUGAR PRODUCERS ASSOCIATION HAVE DEADLOCKED. GOG IS PLANNING TO INTRODUCE LEGISLATION WHICH WOULD RESOLVE IMPASSE BY PERMITTING DISPUTE TO BE SUBMITTED TO ARBITRATION. END SUMMARY.
- 2. SPORADIC STRIKES ON INDIVIDUAL SUGAR ESTATES DURING FEBRUARY HAVE GROWN INTO GENERALLY EFFECTIVE NATINWIDE SHUTDOWN OF SUGAR INDUSTRY THIS MONTH. LEADING STRIKE EFFORT IS UNRECOGNIZED, BUT POWERFUL, GUYANA AGRICULTURAL WORKERS UNION (GAWU), LABOR ARM OF CHEDDI JAGAN'S PEOPLE'S PROGRESSIVE PARTY (PPP). WORKERS HAVE IGNORED APPEAL OF RICHARD ISHMAEL, PRESIDENT OF MANPOWER LIMITED OFFICIAL USE

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CITIZENS ASSOCIATION (MPCA), RECOGNIZED UNION, WHO ASKED WORKERS

TO REMAIN ON JOBS. SUGAR INDUSTRY SOURCE SAYS THAT TODAY (MARCH 10) ONLY ONE OR TWO OUT OF ELEVEN FACTORIES ARE CONTINUING TO PROCESS CANE.

- 3. PPP LEADER CHEDDI JAGAN HAS TAKEN PERSONAL LEADERSHIP OF GAWU'S EFFORT TO GAIN ACCEPTANCE OF TEN POINT PLAN. GAWU DEMANDS INCLUDE WAGE INCREASE, OUT-OF-CROP SEASON EMPLOYMENT, RECOGNITION OF GAWU, AND CHANGING GOVT SUGAR EXPORT LEVY INTO EXCESS PROFITS TAX TO BE APPLIES AFTER WORKER'S PROFIT SHARING. GAWU TEAM, LED BY JAGAN, MET WITH MINISTER OF LABOR WINSLOW CARRINGTON ON MARCH 8 AND ANOTHER MEETING IS SCHEDULED FOR TODAY (MARCH 10).
- 4. GAWU DEMANDS COME AT TIME WHEN NEGOTIATIONS BETWEEN RECOGNIZED MPCA AND GUYANA SUGAR PRODUCERS ASSOCIATION ON 1974-75 CONTRACT HAVE REACHED DEADLOCK AND MPCA HAS REFUSED TO AGREE TO SUBMIT DISPUTE TO ARBITRATION. TO BREAK DEADLOCK, GOVT INTENDS TO INTRODUCE LEGISLATION THIS WEEK WHICH WILL PERMIT EITHER PARTY IN INDUSTRIAL DISPUTE TO CALL FOR ARBITRATION. CURRENT LAW REQUIRES AGREEMENT OF BOTH PARTIES ON ARBITRATION. ASSUMING LAW IS CHANGED, GSPA COULD THEN SUBMIT DISPUTE TO ARBITRATION AND TRIBUNAL WOULD BE ESTABLISHED. MOST LIKELY, JAGAN AND GAWU TEAM ARE SEEKING ASSURANCES IN MEETINGS WITH MINISTER OF LABOR THAT GAWU DEMANDS WILL BE CONSIDERED BY ANY ARBITRATION PANEL AS PRICE FOR ENDING STRIKE.
- 5. COMMENT: SUGAR EXPORT LEVY AND IMPENDING NATINALIZATION OF DEMERARA COMPANY HAVE MADE GOVT AND GSPA ALLIES IN ATTEMPTING TO KEEP HIGH SUGAR PRICES FROM BEING TRANSLATED INTO LARGE WAGE INCREASES WHICH WOULD PROBABLY BECOME PERMANENT, EVEN IF SUGAR PRICES FALL. HOWEVER, PATCHWORK STRATEGY OF PRODUCTION BONUSES AND INTERIM PAYMENT IS NOW COMING APART AS WORKERS BEGIN FIFTEENTH MONTH WITHOUT CONTRACT AND GRIEVANCES PILE UP. IN SHORT RUN, CHANGE IN ARBITRATION LAW MAY HELP SETTLE CURRENT DISPUTE, BUT IT ALSO SHOWS THAT EXISTING SYSTEM OF INDUSTRIAL RELATIONS IN SUGAR INDUSTRY, BASED ON FICTION OF MPCA AS MAJORITY-BACKED UNION, IS NO LONGER WORKABLE. KREBS

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